

Multi-Agency Desk Audit

Duplicate Payments

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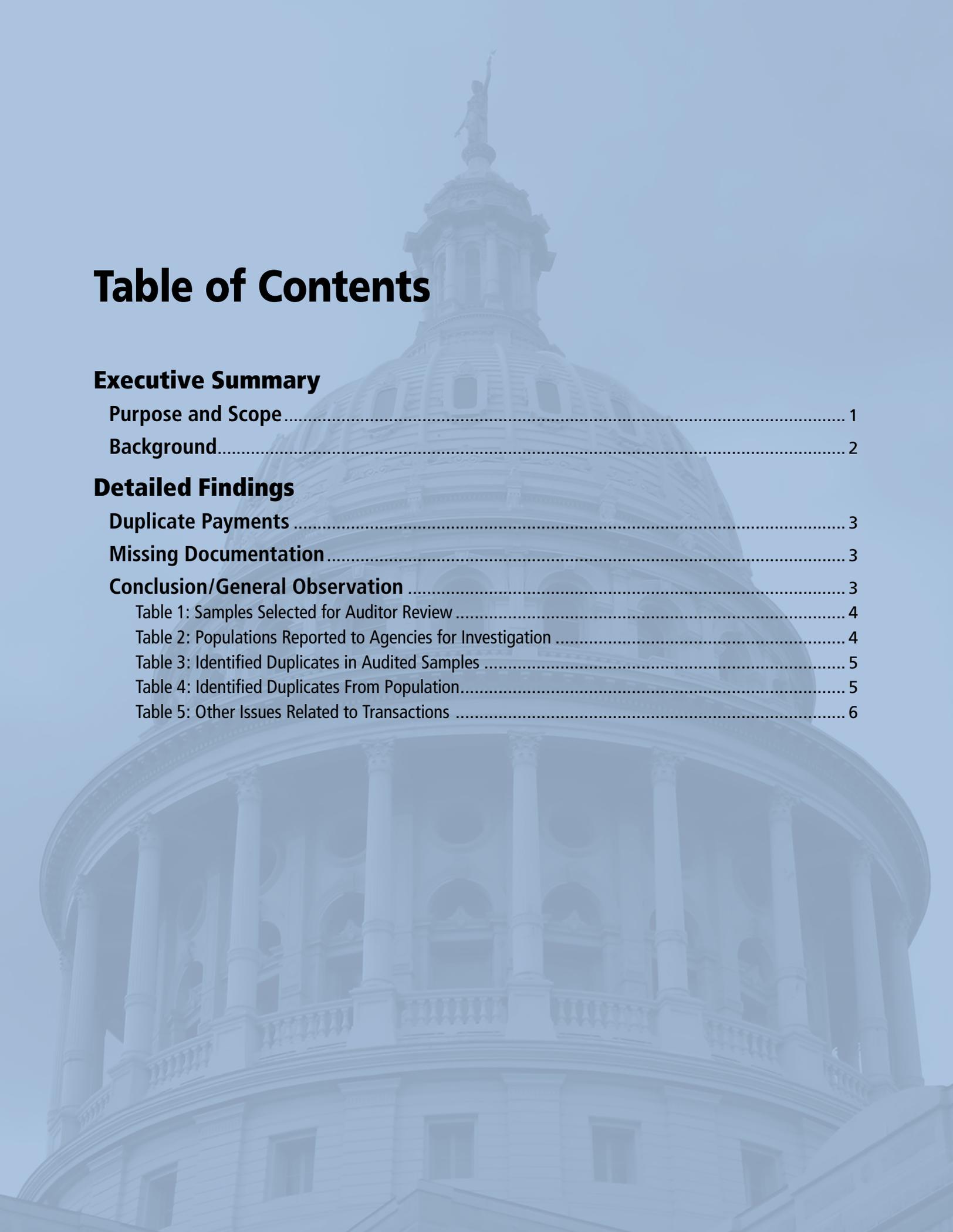


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Executive Summary

Purpose and Scope

The Fiscal Management Division of the Comptroller of Public Accounts (Comptroller's office) performed a desk audit of potential duplicate payments processed by state agencies and universities from Sept. 1, 2015, through Aug. 31, 2018. The audit was conducted under authority granted in Texas Government Code, Section 403.071.

The objective was to conduct a desk audit of potential duplicate payments at selected agencies. The audit was performed based on an analytical report produced from the Uniform Statewide Accounting System (USAS) showing potential duplicate payments from Sept. 1, 2015 through Aug. 31, 2018. The report covered 170 agencies with 367,847 potential duplicate payments totaling \$921,920,710.73.

Of the 167 active agencies and universities with potential duplicate payments, auditors selected 17 agencies and universities for the audit and identified 663 potential duplicates totaling \$9,207,069.28 for review. [See Table 1.](#)

Additionally, for each of the selected 17 agencies, auditors requested the agencies to investigate the remaining potential duplicates in the reported population. Only 14 of the 17 agencies had transactions in their population for investigation. [See Table 2.](#)

The scope of the audit included:

- Requesting and reviewing each agency's written policies and procedures for the accounting and recording of expenditures, including information relating to any controls that are intended to prevent or detect and correct duplicate payments.
- Requesting and reviewing supporting documentation for each payment listed in the sample (invoice, receipts, travel voucher, purchase order, proof of delivery, proof of cancellation, credit memo, etc.) and any additional information to enable the auditor to determine if the payment was a duplicate payment.
- Requesting agencies to review an additional population of potential duplicate payments not selected for the audit sample but processed by the agency during the audit period. The agencies needed to verify through their own research whether these transactions were duplicates.



Background

Each year, to ensure that agencies' payroll, purchase, procurement and travel expenditures comply with state law, the Comptroller's Fiscal Management Division performs customized audits of selected state agencies based on a risk assessment, in addition to performing post-payment audits.

[Recovery Audit Techniques](#)

The Expenditure Audit section uses audit procedures to identify recoverable monies for state agencies. These procedures include generating and reviewing data to test agency payments of goods and services to identify potential duplicate payments.



Detailed Findings

Duplicate Payments

Based on the review of the responses and documentation provided by the agencies to support the 633 potential duplicate payments tested, auditors identified 61 duplicate purchase and travel payments totaling \$56,542.24. See Table 3.

As a result of the audit, the agencies recouped \$4,978.48 of the \$56,542.24 duplicate payments during the audit process and are working to recover the rest. See Table 4 for detailed list of the duplicate payments and the amounts recouped.

Due to the audit, agencies investigated the remaining potential duplicates in the populations identified in the report, and identified \$1,166,963.51 in actual duplicates from the \$285,371,790.77 potential duplicates investigated. See Table 5 for list of the actual duplicate amounts identified by each agency.

Missing Documentation

Auditors identified 14 other potential duplicate payment transactions totaling \$2,850.03 with missing or purged documentation. See Table 5.

Conclusion/General Observation

Agencies that had duplicate payments should strengthen their current procedures for identifying duplicate purchase and travel payments. In addition, the agencies should maintain proper supporting documentation for all purchases and recoup any remaining overpayments identified in the sample or during their own investigations unless the agencies determine it is not cost effective to do so.



Tables

Table 1: Samples Selected for Auditor Review

Agency #	Agency Name	# of Transactions in Sample	Total Sample Amount
302	Office of the Attorney General	50	\$30,771.19
305	General Land Office	48	\$2,090,820.83
403	Texas Veterans Commission	31	\$119,905.39
405	Texas Department of Public Safety	50	\$37,103.99
466	Office of Consumer Credit Commissioner	11	\$18,213.32
503	Texas Medical Board	50	\$19,052.10
504	State Board of Dental Examiners	10	\$2,435.00
529	Health and Human Services	50	\$183,095.36
530	Department of Family and Protective Services	50	\$789,841.87
537	Department of State Health Services	50	\$142,999.10
580	Texas Water Development Board	47	\$5,176,980.65
644	Texas Juvenile Justice Department	19	\$31,783.55
696	Texas Department of Criminal Justice	38	\$167,081.54
719	Texas State Technical College System	50	\$55,013.17
752	University of North Texas	50	\$234,909.74
755	Stephen F. Austin State University	16	\$13,795.81
809	State Preservation Board	43	\$93,266.67
Total — 17 Agencies		663	\$9,207,069.28

Table 2: Populations Reported to Agencies for Investigation

Agency #	Agency Name	# of Transactions for Investigation	Total Population Amount
302	Office of the Attorney General	3300	\$3,247,895.03
305	General Land Office	168	\$319,627.86
403	Texas Veterans Commission	132	\$379,195.53
405	Texas Department of Public Safety	5178	\$5,202,048.20
466	Office of Consumer Credit Commissioner	45	\$21,124.63
503	Texas Medical Board	201	\$96,082.64
504	State Board of Dental Examiners	33	\$28,038.23
529	Health and Human Services	62,305	\$192,080,728.12
530	Department of Family and Protective Services	128	\$768,766.44
537	Department of State Health Services	1262	\$1,725,870.96
580	Texas Water Development Board	0	\$0.00
644	Texas Juvenile Justice Department	2096	\$46,266,062.50
696	Texas Department of Criminal Justice	0	\$0.00
719	Texas State Technical College System	295	\$3,147,610.79
752	University of North Texas	7824	\$31,981,728.20
755	Stephen F. Austin State University	0	\$0.00
809	State Preservation Board	92	\$107,011.64
Total — 17 Agencies		83,059	\$285,371,790.77



Table 3: Identified Duplicates in Audited Samples

Agency #	Agency Name	# of Duplicates in the Sample	Total Duplicate Amounts Identified in Sample	Recouped
302	Office of the Attorney General	No duplicates	\$0.00	
305	General Land Office	No duplicates	\$0.00	
403	Texas Veterans Commission	3 duplicates	\$682.79	\$540.79
405	Texas Department of Public Safety	18 duplicates	\$6,194.70	
466	Office of Consumer Credit Commissioner	1 duplicate	\$114.64	\$114.64
503	Texas Medical Board	No duplicates	\$0.00	
504	State Board of Dental Examiners	No duplicates	\$0.00	
529	Health and Human Services	No duplicates	\$0.00	
530	Department of Family and Protective Services	9 duplicates	\$25,463.78	\$1,514.5
537	Department of State Health Services	14 duplicates	\$18,229.55	\$469.62
580	Texas Water Development Board	1 duplicate	\$237.27	
644	Texas Juvenile Justice Department	4 duplicates	\$750.31	\$295.19
696	Texas Department of Criminal Justice	No duplicates	\$0.00	
719	Texas State Technical College System	4 duplicates	\$1,444.70	\$1,444.70
752	University of North Texas	1 duplicate	\$431.23	
755	Stephen F. Austin State University	3 duplicates	\$2,393.32	
809	State Preservation Board	3 duplicates	\$598.95	\$598.95
Total — 17 Agencies		61	\$56,541.24	\$4,978.48

Table 4: Identified Duplicates From Population

Agency #	Agency Name	Total Population Amount	Total Duplicates Identified *
302	Office of the Attorney General	\$3,247,895.03	Undetermined
305	General Land Office	\$319,627.86	\$0.00
403	Texas Veterans Commission	\$379,195.53	\$0.00
405	Texas Department of Public Safety	\$5,202,048.20	\$48,189.71
466	Office of Consumer Credit Commissioner	\$21,124.63	\$0.00
503	Texas Medical Board	\$96,082.64	\$473.40
504	State Board of Dental Examiners	\$28,038.23	\$0.00
529	Health and Human Services	\$192,080,728.12	Undetermined
530	Department of Family and Protective Services	\$768,766.44	\$676,474.10
537	Department of State Health Services	\$1,725,870.96	\$440,700.77
580	Texas Water Development Board	\$0.00	\$0.00
644	Texas Juvenile Justice Department	\$46,266,062.50	\$304.24
696	Texas Department of Criminal Justice	\$0.00	\$0.00
719	Texas State Technical College System	\$3,147,610.79	\$43,219.29
752	University of North Texas	\$31,981,728.20	\$3,785.11
755	Stephen F. Austin State University	\$0.00	\$0.00
809	State Preservation Board	\$107,011.64	\$2,480.00
Total — 17 Agencies		\$285,371,790.77	\$1,166,963.51

*Unverified



Table 5: Other Issues Related to Transactions

Agency #	Agency Name	Amount	Issue
530	Department of Family and Protective Services	\$1,433.66	7 Missing Documentations
809	State Preservation Board	\$1,664.35	7 Missing Documentations
Total — 2 Agencies		\$3,098.01	